

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

First-Class Package Service (FCPS)
Service Standard Changes, 2021

Docket No. N2021-2

PRESIDING OFFICER'S INFORMATION REQUEST NO.9

(Issued July 30, 2021)

Pursuant to Order No. 5920¹ and 39 C.F.R. §§ 3020.117 and 3020.118, the Postal Service is requested to respond to the following questions to clarify the record on its request for an advisory opinion under 39 U.S.C. § 3661(c) regarding First-Class Package Service (FCPS) Service Standard Changes.² To facilitate inclusion of the requested material in the evidentiary record, the Postal Service shall have a witness attest to the accuracy of the answers. For each question, produce every document (including any calculations, analysis, assumptions, studies, or workpapers) used, relied upon, or referenced in preparing the response. Responses shall be provided as soon as they are available, but no later than August 6, 2021.

The following questions refer to witness Kim's testimony (USPS-T-2):³

Please refer to USPS-T-2 at 8, lines 9-10. The Postal Service states that the "optimization of the [Network Distribution Center (NDC)] network could result in an additional \$62 to \$116 million in savings." Please also refer to the Postal Service's 10-

¹ Notice and Order on the Postal Service's Request for an Advisory Opinion on Changes in the Nature of Postal Services, June 21, 2021 (Order No. 5920).

² United States Postal Service Request for an Advisory Opinion on Changes in the Nature of Postal Services, June 17, 2021.

³ Direct Testimony of Michelle Kim on Behalf of the United States Postal Service (USPS-T-2), June 17, 2021; *see also* Notice of the United States Postal Service of Revisions to Certain Pages of the Request for an Advisory Opinion, USPS-T-1, USPS-T-2, and USPS-T-3 -- Errata, July 2, 2021.

year strategic plan,⁴ which states that “[a]ll [Regional Distribution Center] will be equipped with additional package processing capability to increase capacity, reliability and reach.”

- a. In response to Presiding Officer’s Information Request No. 1, question 4.c., the Postal Service stated that it acquired “additional space in 46 locations to accommodate package growth. The Postal Service also purchased 138 additional package sorting machines this year and added over 14,000 permanent positions to its workforce.”⁵ Please quantify the costs, separately by category, for the infrastructure items included in this response.
- b. Please identify any additional costs incurred in optimizing the NDC network.
- c. Please confirm that costs to optimize the NDC network are included in the estimated cost savings of \$62 million to \$116 million. If confirmed, please separately quantify by category the costs included in the cost savings. If not confirmed, please provide the rationale for not including costs incurred to optimize the NDC network in the cost savings.

Ann C. Fisher
Presiding Officer

⁴ See United States Postal Service, *Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence*, March 23, 2021, at 29, available at https://about.usps.com/what/strategic-plans/delivering-for-america/assets/USPS_Delivering-For-America.pdf.

⁵ Responses of the United States Postal Service to Questions 1-8.a, 9-11 of Presiding Officer’s Information Request No. 1, July 6, 2021.